

MINUTE BOOK

Item 34  
was approved by the item  
No. 34 by the State Lands  
Commission by a vote of 3  
to 0 at its 2/24/77  
meeting.

CALENDAR ITEM

34.

2/77  
503.747  
RH  
(All)

RATIFICATION OF STIPULATION FOR DISMISSAL OF LAWSUIT  
BROUGHT BY UNION OIL COMPANY OF CALIFORNIA AGAINST  
THE STATE LANDS COMMISSION

On October 24, 1973, a suit was filed in the United States District Court for the Central District of California entitled Union Oil Company of California v. Flournoy et al., (No. CV 73-2486 WPG). Union contested the propriety under federal crude oil pricing and allocation regulations of the sell-off by the State of its royalty share of crude oil production from two offshore leases held by Union Oil and of the charge of exempt prices for royalty crude oil from September 1, 1973, through October 24, 1973. The sell-off proceeded under a contract due to expire on May 1, 1977. Union did not go forward with the lawsuit. A stipulation for dismissal of the lawsuit without prejudice was signed by counsel for Union and, after consultation with the Executive Officer, by a representative of the Attorney General's Office on behalf of the Commission. It acknowledged an apparent resolution of the dispute involving the taking in kind and selling of royalty crude oil by the State and recognized that this lawsuit was not an appropriate forum to pursue the pricing dispute. The stipulation was presented to Judge William P. Gray for his approval and signing of the order of dismissal.

IT IS RECOMMENDED THAT THE COMMISSION RATIFY THE ACTION OF THE OFFICE OF THE ATTORNEY GENERAL IN STIPULATING TO A DISMISSAL OF THE LAWSUIT WITHOUT PREJUDICE.